

HB 1968 -- RISK-BASED CAPITAL ANALYSIS FOR HEALTH ORGANIZATIONS

SPONSOR: Gosen

This bill modifies the examination period for health maintenance organizations from a minimum of every three years to a minimum of every five years under Section 354.465, RSMo. It also adds definitions for a health organization, a domestic health organization, and a foreign health organization.

The bill includes health organizations as the entities subject to risk-based capital examination, analysis, and regulation under Sections 375.1250 to 375.1275. The analysis makes use of information on asset risk, credit risk, underwriting risk, and other business risks.

Foreign health organizations will comply with the same regulatory requirements foreign insurers are currently subject to under Section 375.1270.

The bill contains a confidentiality provision for the director of the Department of Insurance relating to confidential and privileged documents filed as part of a risk-based capital analysis. The director may share these documents with other listed regulatory bodies, and the documents would maintain their confidential and privileged status. This act also gives the director discretion to exempt certain health organizations from risk-based credit examination requirements if they meet certain conditions. This act provides for special regulatory response from the director with respect to risk-based capital reports filed by health organizations for 2014.